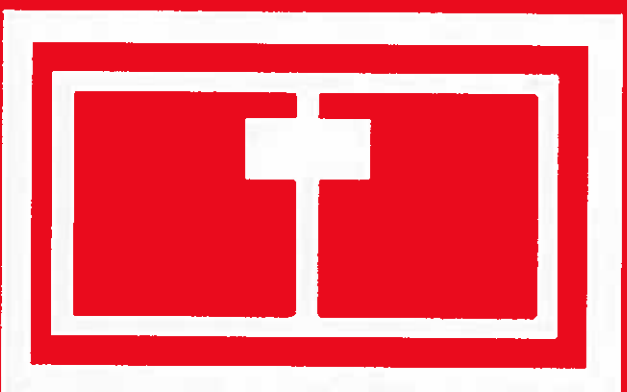


MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

HOUSE FINANCIAL SERVICES COMMITTEE

MARCH 15, 2017



WHAT WE DO

MSHDA enhances economic and community vitality through housing and historic preservation activities.

GOVERNANCE



Five MSHDA board members are appointed by the Governor, with confirmation by the State Senate, for four year terms. The remaining members are directors of state departments.

Authority board members...

- Provide policy direction to MSHDA staff
- Authorize bond issues
- Approve development loan commitments
- Evaluate programs

FINANCIAL SOLVENCY



In 2016 the Authority...

- Restructured more than \$490 million in outstanding debt, creating present value savings of more than \$25 million
- Developed an Equity Bridge Loan to increase the value of the Low-Income Housing Tax Credits ("LIHTC")
- Began piloting new multifamily products to address workforce housing needs and build on our financial strength to support our social mission

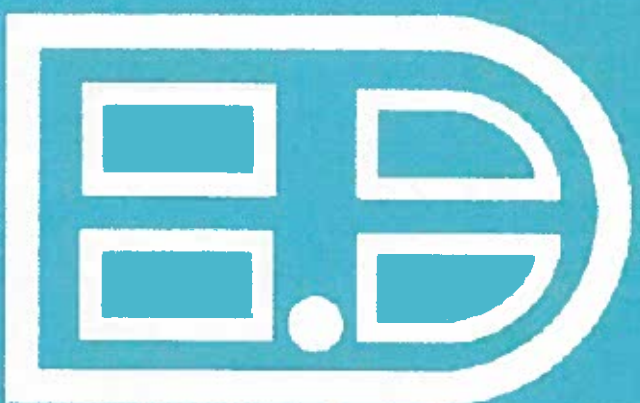
Independent annual audits

- Each year the Authority's financial statements are independently audited
- Available at Michigan.gov/MSHDA dating back to 2001
 - <http://bit.ly/2nxQ2G6>

Scope of Work

MSHDA administers hundreds of millions of dollars in federal and state funds that support housing, neighborhood impact and historic preservation. We fulfill our mission by focusing on five main objectives:

- **Supporting homeownership**
- **Providing affordable rental housing**
- **Asset management**
- **Ending homelessness**
- **Preserving history**



SUPPORTING HOMEOWNERSHIP

Opening Doors to Homeownership



2016 Home Loan Production

- 1,595 families became first-time homeowners with a MSHDA mortgage
 - \$153 million in first-time homebuyer mortgages
- An additional 42 repeat home buyers purchased a home with total mortgage funding of \$5.7 million
- 1,580 down payment assistance loans totaling \$9.7 million

Housing Education

- Funded \$587,000 in counseling services
 - 2,767 households participated in:
 - homebuyer education,
 - pre-purchase services,
 - financial capability classes, and/or
 - foreclosure-related services

Protecting the Dream of Homeownership



Avoiding Foreclosure: Step Forward Michigan

- 4,008 families saved from foreclosure
- \$36.3 million in federal Hardest Hit Funds distributed last year
 - Mortgage disbursements: \$23.6 million
 - Tax disbursements: \$12.6 million
 - Condo disbursements: \$100,000

Blight Elimination

- \$47.2 million in HHF assistance to combat blight
- 2,818 structures demolished in 2016



PROVIDING AFFORDABLE RENTAL HOUSING

Affordable Rental Housing

2016 accomplishments



We created over 3,000 units of affordable housing

- \$27,742,436 awarded in annual LIHTC
 - Resulting in a 10-year value of \$277.4 million

The Low-Income Housing Tax Credit program...

- Funded 43 developments across the state
- Created or rehabilitated 3,186 total units
 - 3,009 of those were affordable
- Assisted approximately 5,721 families
- Created 4,084 temporary and permanent jobs
- Leveraged enough resources to cover nearly \$453.7 million in total project investments



ASSET MANAGEMENT & PROTECTION

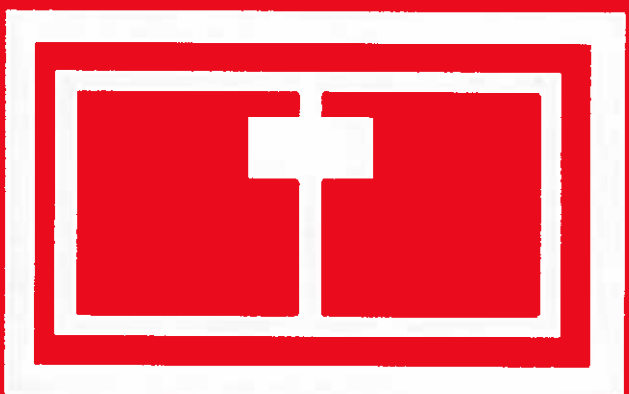
Asset Management and Protection

2016 accomplishments



The multi-family division works behind the scenes to protect MSHDA assets

- Zero multifamily foreclosures last year – first time in 10 years
- 17th consecutive year with zero findings in the Project-Based Contract Administration group's annual audit by HUD
- Conducted six Rental Assistance Demonstrations (RAD)
 - Saved 550 affordable housing units from losing long-term project-based rental assistance



ENDING HOMELESSNESS

Ending Homelessness



MSHDA invests more than \$80 million each year in providing rental assistance and services to currently or formerly homeless families.

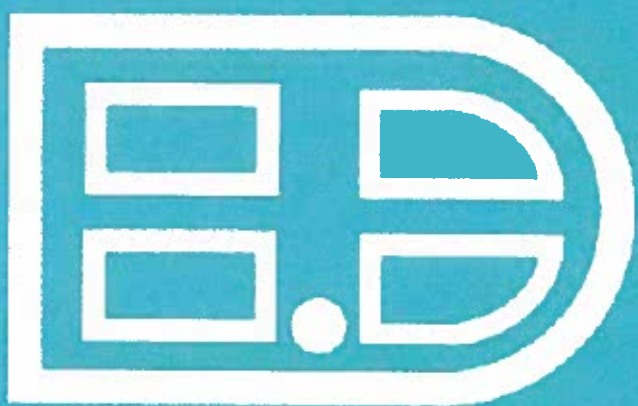
Homelessness is declining

- **Literal Homelessness down 6%**
 - **In 2015, there were approximately 69,163 homeless individuals in Michigan**
- **Veteran Homelessness down 15%**
 - **4,033 homeless veterans counted in 2015**
- **Chronic Homelessness down 35%**
 - **Declined from 10,330 to 6,675**

Providing Rental Assistance



MSHDA served more than 28,000 families with rental assistance through the Housing Choice Voucher program last year.



PRESERVING HISTORY

Preserving Michigan's History



Federal Historic Preservation Tax Credits encourage investment in underutilized and vacant structures.

- Administered \$129 million in historic preservation tax credits in 2016
- Since 2003 the tax credits have helped generate more than \$2.3 billion in direct investment throughout the state

Michigan Lighthouse Assistance Program

- Since 2000 the State Historic Preservation Office has awarded more than \$2 million to nonprofit organizations and local governments to rehabilitate lighthouses statewide